GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3146
ANSWERED ON:07.12.2007
LEGISLATION FOR PROTECTING THE INTEREST OF DEPOSITORS
Bangaru Smt. Susheela Laxman

Will the Minister of FINANCE be pleased to state:

(a) whether some States have enacted the law to safeguard the interest of the depositors in financial institutions after approval of Union Government;

(b) if so, whether the similar Bill of Government of Rajasthan having same provisions is lying pending for approval with the Union Government; and

(c) if so, the reasons therefore and the time by which it is likely to be approved?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PA WAN KUMAR BANSAL)

(a): Reserve Bank of India has reported that the State Governments of Andhra Pradesh, Assam, Bihar, Goa, Gujarat, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Mizoram, New Delhi, Tamilnadu, Tripura, and Uttaranchal have enacted certain legislation for protection of interests of depositors.

(b) & (c): Ministry of Home Affairs has indicated to the Government of Rajasthan that it would be appropriate if the Rajasthan Protection of Interests of Depositors (In Financial Establishments) Bill, 2005 is examined alongwith the judgement of the Supreme Court in the SLP filed by the Government of Maharashtra on the order of the Maharashtra High Court holding the Maharashtra Protection of Interest of Depositors (in Financial Establishment) Act, 1999 ultra vires of the Constitution of India.